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C O N F I D E N T I A L SECTION 01 OF 02 SKOPJE 000710

SIPDIS

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TAGS: PGOV PHUM PREL MK
SUBJECT: 100 DAYS INTO THE SECOND VMRO GOVERNMENT: A
CRITICAL ASSESSMENT

REF: A. SKOPJE 496
¶B. SKOPJE 675
¶C. SKOPJE 607
¶D. SKOPJE 696

Classified By: Amb. Reeker for reasons 1.5 (b) and (d).

Summary

¶1. (C) Despite a nation-wide ad campaign touting 100 separate accomplishments in its first 100 days, PM Gruevski's VMRO-led government is failing to confront effectively the big issues: the name dispute with Greece; meeting the EU benchmarks; and improving political dialogue, rule of law, and interethnic relations. Even the economy, always stated as VMRO's chief concern, faces harder times, and the GoM must share some responsibility for this. As we enter yet another campaign season (local and presidential elections March 29), we will continue our efforts -- along with our international partners -- to focus the GoM on running far superior elections than those marred by the violence and irregularities in June. End summary.

First 100 Days: Your Government Hard At Work

¶2. (SBU) On Nov. 6, the VMRO-led government of PM Nikola Gruevski ran full-page color advertisements in the newspapers touting the achievements of its first 100 days. The 100 items on the list are a technocrat's dream: procurement of 20,000 public trash cans and 5,000 dumpsters, computerization and digitalization of the library system, free bus service for high school students, passage of a law on tourism. Notably missing from the list is anything the government did to the benefit of the e-Albanian community: passage of a language law (ref a), recognition of Kosovo (though nearly-complete demarcation is listed), or creation of new civil service slots to promote equitable representation under the Ohrid Framework Agreement.

¶3. (SBU) Other items of interest include the movement of Macedonia from Tier Two to Tier One in the U.S. State Department's 2007 TIP report, establishment of a government Ministry for Information Technology, a 16% increase in industrial output, 10% public sector salary increases, streamlining of business regulations, major arrests in cigarette and narcotics smuggling, and voting rights for diaspora Macedonians.

But, What About the EU....

¶4. (C) The ad also cites "significant progress" made in fulfilling the eight EU benchmarks, despite the Commission's negative Nov. 5 report on Macedonia's progress. EU officials here comment disdainfully on the GoM's blithe assertion that

Macedonia has achieved "90%" of the benchmarks, noting backsliding in political dialogue and rule of law (to be reported *septel*) and the problematic parliamentary elections in June. EUSR Fouere told visiting EUR/SCE Director Hyland on Nov. 11 that "people in Brussels just roll their eyes" when discussing the country. To be fair, the report does cite some progress, but the tone is definitely negative.

...Interethnic Relations....

¶ 15. (C) Contacts, primarily but not exclusively e-Albanians, tell us they are increasingly concerned about the state of interethnic relations. This is driven in part by the government's handling of the four cases returned to Macedonian jurisdiction earlier this year by the ICTY (the four cases all accuse e-Albanians of war crimes committed during the 2001 conflict--ref c). But others point to a general tone of anti-Albanianism among the VMRO leadership. MPs from all three e-Albanian parties cite little to no dialogue -- even small talk -- with their VMRO colleagues, and nary a word in public appearances about VMRO's coalition partner. That said, DUI leader Ali Ahmeti has consistently expressed general satisfaction with his working relationship with Gruevski, though others in DUI are less pleased. To his credit, however, Gruevski did speak --including a couple of sentences in Albanian -- at Nov. 22 celebrations in Skopje of the 100th anniversary of the Albanian alphabet (*septel*), a major event in which his counterparts from Albania and Kosovo also participated.

...And the Name....

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¶ 16. (SBU) The government ad only mentions the name issue in the context of the governments of India and Chile recognizing Macedonia under its constitutional name. It does not mention the worsening dynamic between PM Gruevski and President Crvenkovski as they dueled over the proposals from UN Mediator Nimetz, culminating in Crvenkovski's dismissal of name negotiator Nikola Dimitrov on Nov. 3. This failure of "cohabitation" was further reinforced by Gruevski's decision to file legal proceedings against Greece in the International Court of Justice on Nov. 17: Crvenkovski learned of it the same day (ref d). Gruevski has never recognized Crvenkovski's legitimacy -- alleging ballot-stuffing in the 2004 presidential elections -- and calls him "Mr. Crvenkovski" as opposed to "Mr. President." Their failed relationship (for which both sides deserve blame) is a prime example of the general failure of political dialogue here.

¶ 17. (C) The government's ad campaign highlights two notable features of the Gruevski government. First, numerous contacts tell us that the government is by far the biggest advertiser in print and broadcast media. These contacts also tell us that the GoM uses ad revenue -- and its potential loss -- to influence editorial policy. Newspapers here appear to have at least two to three half- or full-page ads run by the GoM or its agencies every day.

¶ 18. (C) Second, the ad reflects VMRO as it wants to see itself: technocrats focused primarily on the economy. This was very much in evidence at a Nov. 12 dinner for EUR/SCE Director Hyland, when two young VMRO MPs opined that interethnic relations were essentially settled and that they are focused on education and constituent service. The latter two items are important, but their assertions belie what actually seems to be going on: focusing solely on Greece as the root of all of Macedonia's woe -- while mishandling the name issue -- as NATO and EU membership seem to slip even further away, the struggle between Crvenkovski and Gruevski, machinations over the handling of the cases returned to Macedonia by the ICTY, continuing efforts to marginalize the opposition. Indeed, Macedonia is and remains thoroughly

politicized, and the impact reaches far into hiring practices in all areas of the civil service, the country's largest employer.

...And the Economy?

¶ 9. (C) The PM is worried about the economy as he watches the world slowdown emerge (ref b), but at the same time he and his inner circle appear unable to grasp real opportunities that will actually help. In October, for example, the GOM mishandled a potentially lucrative plan to build two Hilton Hotels in Skopje. Government ministers were also unwilling to work around an Oct. 22 VMRO meeting to prepare for the March elections to take a few minutes to meet Habitat for Humanity's International Board, which includes senior business leaders such as the President of Delta Airlines. We continue to receive letters from Macedonian businesses complaining of ill treatment from the government. Both foreign and domestic investors, who have enthusiastically welcomed GOM efforts to streamline regulations and legislate reforms, have lamented their incomplete implementation.

¶ 10. (C) We anticipate no significant improvement in the situation. Macedonia is about to enter campaign mode again, with the first round of presidential and municipal polls set for March 29. We will work in conjunction with others in the international community (including the EU and OSCE) to focus the GoM on running fair, clean, and non-violent elections. A repeat of the June 1 elections could do irreparable damage to Macedonia's Euro-Atlantic aspirations.

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